Message Text

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INFO OCT-01 AF-08 ARA-06 EA-07 EUR-12 NEA-10 IO-13 ISO-00 FEA-01 ACDA-07 CIAE-00 INR-07 L-03 NSAE-00 NSC-05 EB-07 NRC-05 DODE-00 ERDA-05 PM-04 H-01 PA-01 PRS-01 SP-02 SS-15 USIA-06 OMB-01 /134 W

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FM USMISSION IAEA VIENNA

TO SECSTATE WASHDC PRIORITY 8449

INFO AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USERDA HQ WASHDC

USERDA HQ GERMANTOWN

AMEMBASSY BONN

AMEMBASSY BRUSSELS NN

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

USMISSION GENEVA

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

OECD PARIS NN

AMEMBASSY ROME

AMEMBASSY THE HAGUE

C O N F I D E N T I A L IAEA VIENNA 10138

DEPT PASS IO/SCT

E.O. 11652: GDS

TAGS: IAEA, PARM, USEC, IAEA, TECH SUBJECT: EURATOM/IAEA SAFEGUARDS

REF: A. EC BRUSSELS 11969, B. IAEA VIENNA 9731

1. RE PARA 1 REFTEL A, U.S. MISSION TO IAEA HAS ALWAYS FULLY COMPREHENDED FACT OF FRENCH ABILITY TO IMPEDE ACTIONS OF EC WHICH FRANCE DOES NOT FIND TO ITS LIKING. WE ASSUME, HOWEVER, THAT EURATOM/IAEA AGREEMENT WILL AT SOME TIME COME INTO EFFECT. SINCE, AS DISCUSSED BELOW, CONTENT OF FACILITY ATTACHMENTS UNDER EURATOM/IAEA CONFIDENTIAL

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AGREEMENT IS LINKED TO CONTENT OF FACILITY ATTACHMENTS

IN COUNTRIES WHERE U.S. PERCEIVES THE PROLIFERATION THREAT IS GREATER THAN IN EC COUNTRIES, WE DO NOT BELIEVE QUESTION OF ADEQUACY IS A MOOT POINT.

- 2. WE SHARE EC BRUSSELS GOAL IN WANTING FRENCH TO COOPERATE WITH OTHER EC COUNTRIES, AND, AS SOON AS POSSIBLE, TO HAVE EURATOM/IAEA SAFEGUARDS AGREEMENT COME INTO EFFECT. WE ARE CONCREND, HOWEVER, THAT THIS GOAL IS BEING HELD HOSTAGE BY DESIRE OF EURATOM, FRG INDUSTRY AND OTHERS TO REDUCE IAEA SAFEGUARDS ROLE IN EURATOM COUNTRIES TO LEVEL WHICH, ON BASIS OF LIMITED INFORMATION WE HAVE AVAILABLE, WOULD BE INADEQUATE IF APPLIED IN NON-EC COUNTRIES.
- 3. THIS POINT LEADS TO THE TWO VERY IMPORTANT SUB-ISSUES RAISED BY REF A: (A) THE RELEVANCE OF EFFECTIVENESS OF EURATOM SAFEGUARDS AND (B) THE RELATIONSHIP OF IAEA IMPLEMENTATION OF SAFE-GUARDS IN EC COUNTRIES TO HOW THEY IMPLEMENT SAFE-GUARDS IN NON-EC COUNTRIES.
- 4. REGARDING SUBISSUE A AND PARA 3 OF REF A, THIS
 MISSION IS NOT QUESTIONING THE EFFECTIVENESS OF THE
 EURATOM SAFEGUARDS SYSTEM (ALTHOUGH, BASED ON RECENT
 FIRST-HAND REPORT WHICH WILL BE REPORTED SEPARATELY,
 WE ARE UNDER NO ILLUSION THAT IT IS A FLAW LESS SYSTEM).
 NOR ARE WE CLAIMING THAT IAEA IS PRESENTLY IMPLEMENTING
 A MORE EFFECTIVE SYSTEM THAT EURATOM.THE USG HAS
 ACCEPTED THE EURATOM SAFEGUARDS ARE FULLY ADEQUATE TO
 MEET ANY CONCERNS THE U.S. MAY HAVE ABOUT DIVERSION
 AND PROLIFERATION IN EC COUNTRIES. THIS CONFIDENCE
 HAS BEEN EXPRESSED PUBLICLY AND BEFORE CONGRESS AND
 IS APPARENTLY SUFFICIENTLY STRONG THAT THE U.S. HAS NOT FELT A
 NEED TO EXERCISE ITS RIGHT TO VERIFY THE EFFECTIVENESS
 OF THE EURATOM SYSTEM OVER THE PAST FIVE OR SO YEARS.
- 5. HOWEVER, GOING TO SUB-ISSUE B, THE OVERALL QUESTION IS NOT WHETHER EURATOM SAFEGUARDS ARE EFFECTIVE CONFIDENTIAL

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ENOUGH TO MEET U.S. CONCERNS. THE ISSUE IS WHAT DOES IT TAKE TO ASSURE APPLICATION OF IAEA SAFE-GUARDS IN CERTAIN PARTS OF THE WORLD WHERE THERE IS A REAL DANGER OF NUCLEAR PROLIFERATION? IT WAS OUR UNDERSTANDING THAT THIS IS A CONCERN WHICH IS SHARED BY EC COUNTRIES PARTICIPATING IN LONDON SUPPLIER MEETINGS. IT IS ALSO OUR UNDERSTANDING THAT NON-EC COUNTRIES WILL NOT ACCEPT UNEQUAL IMPLEMENTATION OF

IAEA SAFEGUARDS UNDER NPT AGREEMENTS. THIS MISSION DID NOT INVENT IDEA OF UNIFORM IAEA SAFEGUARDS AND EQUALITY OF TREATMENT UNDER NPT SAFEGUARDS AGREEMENTS. NO MATTER HOW MUCH THE U.S. IS CONVINCED OF EFFECTIVENESS AND VIABILITY OF EURATOM SAFEGUARDS SYSTEM IN PROVIDING U.S. WITH ASSURANCES OF NON-PROLIFERATION IN EC COUNTRIES, THE JAPANESE IN PARTICULAR WILL CONTINUE TO INSIST ON EQUAL TREATMENT.

6. PERHAPS, AS SUGGESTED TO US BY VISITING U.S.
EC MISSION STAFF MEMBER, DEPARTMENT WOULD WANT TO
CONSIDER TRYING TO CONVINCE JAPANESE TO ACCEPT STRONGER
IAEA SAFEGUARDS THAN EC COUNTRIES WOULD RECEIVE.
HOWEVER BASED ON THE UNVARYING RECORD OF JAPANESE
STATEMENTS, WE EXPECT THIS MAY VERY WELL BE IMPOSSIBLE
TO ACCOMPLISH. (E.G. WE DRAW ATTENTION
TO FULL STATEMENT OF JAPANESE GOVERNOR AT IAEA BOARD
MEETING WHICH APPROVED EURATOM/IAEA SAFEGUARDS AGREEMENT. SEE IAEA GOV/OR.451, DATE 29 JANUARY 1973.)

7. PER REFTEL A PARA 3, USEC BRUSSELS FEELS IAEA'S MAIN RESPONSIBILITY IS TO "VERIFY THE EFFECTIVENESS OF THE EURATOM SYSTEM." HOWEVER, ARTICLE THREE OF THE EURATOM/IAEA SAFEGUARDS AGREEMENT (INFCIRC/193) IS CONSIDERABLY MORE SPECIFIC IN THAT IT REQURIES THE AGENCY TO VERIFY THE ACTUAL "FINDINGS" OF THE EURATOM SAFEGUARDS SYSTEM, WHILE AT THE SAME TIME, TAKING "DUE ACCOUNT OF THE EFFECTIVENESS" OF THAT SYSTEM. AS NOTED IN REFTEL B PARA 6, NEITHER EURATOM NOR IAEA HAVE DEVISED TECHNICAL MEANS BY WHICH IAEA CAN VERIFY THE ACTUAL FINDINGS OF EURATOM'S SAFEGUARDS IMPLEMENTATION WITHOUT EXTNESIVE INDEPENDENT EFFORT. THEY HAVE NOT FOUND ANY WAY TO GIVE QUANTITATIVE EXPRESSION TO CONFIDENTIAL

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THE TERM " TAKE DUE ACCOUNT OF THE EFFECTIVENESS."

8. MOREOVER, IT IS IMPORTANT TO REALIZE THAT ALL NPT SAFEGUARDS AGREEMENTS INCLUDING THE JAPANESE/IAEA SAFEGUARDS AGREEMENT INCLUDES ESSENTIALLY THE SAME REQURIEMENTS ON THE IAEA TO VERIFY FINDINGS REPEAT FINDINGS OF THE NATIONAL SYSTEM WHILE TAKING DUE ACCOUNT OF ITS EFFECTIVENESS.

9. IT SHOULD BE NOTED THAT U.S. NUCLEAR FACILITIES SAFEGUARDED BY THE IAEA UNDER THE US/IAEA AGREEMENT WOULD BE SUBJECT TO MORE INTENSE IAEA SAFEGUARDS THAN SIMILAR COMPETING FACILITIES IN EC COUNTRIES UNDER THE REGIME BEING PUSHED BY EURATOM. THIS CREATES AN INTERESTING REVERSAL OF THE SITUATION IN

LIGHT OF THE INTENSIVE AND LONG-TERM FRG PRESSURE
ON THE USG TO SUBMIT US NUCLEAR FACILITIES TO FULL,
INDEPENDENT IAEA SAFEGUARDS UNDER THE US OFFER.
US NUCLEAR INDUSTRY MAY HAVE SOME PROBLEM WITH THIS.

10. IF THE EC COUNTRIES WANT EFFECTIVE IAEA SAFEGUARDS TO BE APPLIED IN CERTAIN PARTS OF THE WORLD WHERE THERE IS A REAL DANGER OF NUCLEAR PROLIFERATION, THEY MUST BE WILLING TO ACCEPT THOSE SAFEGUARDS THEMSELVES. THE WHOLE PURPOSE BEHIND THE PRESIDENTIAL OFFER ON DECEMBER 2, 1967 AND THE EVENTS LEADING UP TO IT WAS IN RECOGNITION OF THIS FACT. IT WAS STATE BY PRESIDENT JOHNSON AS FOLLOWS: QUOTE I WANT TO MAKE IT CLEAR TO THE WORLD THAT WE IN THE UNITED STATES ARE NOT ASKING ANY COUNTRY TO ACCEPT SAFEGUARDS THAT WE ARE UNWILLING TO ACCEPT OURSELVES. UNQUOTE. HE

WENT ON TO OFFER TO PLACE U.S. NUCLEAR ACTIVITIES UNDER IAEA SAFEGUARDS, EXCLUDING ONLY THOSE WITH DIRECT NATIONAL SECURITY SIGNIFICANCE. THIS OFFER WAS SUBSEQUENTLY REAFFIRMED BY PRESIDENTS NIXON AND FORD. IT WOULD SEEM INCONSISTENT FOR IT TO BE U.S. POLICY TO SUPPORT EURATOM'S DESIRE FOR LESS IAEA SAFEGUARDS THAN WE HAVE VOLUNTARYILY SOUGHT TO HAVE IMPOSED ON OURSELVES FOR THE PURPOSE OF DEMONSTRATING EQUALITY OF TREATMENT UNDER THE NPT. STONE CONFIDENTIAL

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